

Department of Energy

Washington, DC 20585

March 1, 2012

Carolyn Y. Thompson Jones Day 51 Louisiana Avenue, NW Washington, DC 20001-2113

RE: Clarification of Temporary Emergency Order No. EA-318-B

Dear Ms. Thompson:

On February 22, 2012, the Department of Energy (DOE) issued Order No. EA-318-B to AEP Energy Partners, Inc. (AEP EP) which granted temporary emergency authority to AEP EP to export electric energy to Mexico for emergency purposes. By letter of February 28th, AEP EP informed DOE of a long-standing contractual arrangement between AEP EP and the Comision Federal de Electricidad (CFE) to provide power to the rural area of Mexico that includes the town of El Mulato. AEP EP indicates that CFE does not have facilities to bring electric power from Mexico into the area and can only provide electric service to the town through the import of energy from Texas over the cross-border 7.2 kV line from Redford, Texas to Ojinaga, Mexico that CFE owns and operates. That distribution line was originally authorized by the Federal Power Commission (FPC) on October 15, 1971 (Docket No. E-7651). The Presidential permit authorization for that line is currently designated by DOE as Presidential Permit Order No.PP-51. The original FPC authorization also granted CFE the authority to export electricity over that line to that area of Mexico.

In that same letter, AEP EP requested assurance from DOE that the temporary emergency order would allow AEP EP and CFE to continue to provide power to the El Mulato area pursuant to their existing contracts, pending completion of DOE's review of the AEP EP application to renew its export authorization.

DOE agrees that the lack of power service alternatives to the rural area of El Mulato constitutes the type of emergency that DOE intended to allow under the temporary emergency order. Therefore, DOE finds that under that order AEP EP and CFE may continue to provide electric service to El Mulato and the surrounding area over the border facilities authorized by Presidential Permit No. PP-51 pursuant to existing contractual arrangements, until such time as DOE completes its review of the renewal application and issues a final decision and order.

Please feel free to contact me should you have any further questions regarding this matter.

Sincerely,

Brian Mills

Director, Permitting and Siting Office of Electricity Delivery and

Energy Reliability

cc: Jay E. Jadwin, American Electric Power Service Corporation Gloria D. Smith, Sierra Club Andrea Issod, Sierra Club